GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4254
ANSWERED ON:16.04.2001
INTERNET CHARGES
MANJAY LAL

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the present cost of running the Internet Services is higher than those of neighbouring countries;

(b) if so, the details thereof and he reasons therefor ; and

(c) the measures being taken by the Government to reduce the cost of Internet services in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) & (b): There is no information available to indicate that the cost of running the Internet Services is higher as compared to neighbouring countries. In fact the access charges in Internet service have shown consistent downward trend and few Internet Service Providers (ISPs) are offering free Internet access.

(c) The following steps by the Government would reduce the cost of running Internet Service:-

(i) Licence fee for Internet service is waived up to 31.10.2003 and Re.1/- per annum thereafter.

(ii) ISPs have been allowed to import telecom equipment viz. Asynchronous Transfer Mode (ATM) switches, Frame Relay Switch, Routers, DWDM equipment and Ethernet Switch at the concessional custom duty of 5%.

(iii) ISPs have been permitted to set up International Gateways for Internet using satellite as well as submarine cable medium.

(iv) A 20% concession is being offered by Bharat Sanchar Nigam Ltd. (BSNL) on annual lease line rentals for lease lines taken for Internet access.

(v) BSNL plans to establish a National Internet Backbone for carriage of Internet trafficIt aims at providing easy interconnect point to the ISPs.

(vi) Under the National Long Distance Policy the infrastructure providers would be encouraged to provide end to end bandwidth.

(vii) Videsh Sanchar Nigam Limited (VSNL) has announced substantial reduction in charges for International leased circuit and port charges.